



U.S. Department of the Interior
Office of Inspector General

SPECIAL REPORT

**STATUS OF IMPROVEMENTS IN
FINANCIAL MANAGEMENT
AND PROGRAM OPERATIONS,
AMERICAN SAMOA GOVERNMENT**

**REPORT NO. 96-I-206
DECEMBER 1995**



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

DEC 13 1995

MEMORANDUM

TO: The Secretary

FROM: Wilma A. Lewis
Inspector General

SUBJECT SUMMARY: Final Special Report for Your Information - "Status of Improvements in Financial Management and Program Operations, American Samoa Government" (No. 96-I-206)

Attached for your information is a copy of the subject final special report.

This report summarizes major long-standing problems in financial management and program operations of the American Samoa Government identified in audit reports; recognizes the corrective actions taken by the Government and the Office of Insular Affairs (formerly the Office of Territorial and International Affairs), U.S. Department of the Interior, to address those problems; and provides the Government with suggested goals and corrective actions against which the Office of Inspector General can measure future improvements.

Although the Government has made improvements in financial management, expenditure control, revenue collection, and program operations, further improvements are needed. We believe that the Government can achieve reasonable performance improvement goals in these four functional areas by working with Insular Affairs to identify priorities for future technical assistance and by implementing the recommendations made in previous audit reports.

If you have any questions concerning this matter, please contact me at 208-5745.

Attachment



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Headquarters Audits
1550 Wilson Boulevard
Suite 401
Arlington, VA 22209

DEC 22 1995

The Honorable A. P. Lutali
Governor of American Samoa
Office of the Governor
Pago Pago, American Samoa 96799

Dear Governor Lutali:

Subject: Special Report on the Status of Improvements in Financial Management and Program Operations, American Samoa Government (No. 96-I-206)

This report (1) presents a summary of major long-standing problems in financial management and program operations of the American Samoa Government identified in audit reports; (2) recognizes the corrective actions taken by the Government and the Office of Insular Affairs, U.S. Department of the Interior, to address some of those problems; and (3) provides the Government with suggested goals and corrective actions against which the Office of Inspector General can measure future improvements.

We concluded that although the Government has made improvements in financial management, expenditure control, revenue collection, and program operations, further improvements are needed. By working with appropriate Federal agencies to identify priorities for future technical assistance and by implementing our many audit recommendations, the Government can achieve significant improvements in these four functional areas.

Because this report does not contain any recommendations, a formal response is not required. However, if you have any questions regarding this report, please contact Mr. Peter J. Scharwark Jr., North Pacific Regional Audit Supervisor, at (671) 472-7279

Sincerely,

Neal Littlefield
for Judy Harrison
Acting Assistant Inspector General
for Audits

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INTRODUCTION

PURPOSE AND SCOPE

The purpose of this report is to: (1) present a summary of long-standing problems in financial management and program operations of the American Samoa Government identified in audit reports; (2) recognize the corrective actions taken by the Government and the Office of Insular Affairs (formerly the Office of Territorial and International Affairs), U.S. Department of the Interior, to address some of those problems; and (3) provide the Government with suggested goals and corrective actions against which the Office of Inspector General can measure future improvements. The report is presented in three major sections that correspond to the report's objectives.

The report was compiled from significant audit reports issued from October 1, 1982, to September 30, 1995, by the Office of Inspector General, U.S. Department of the Interior (Appendix 1); the U.S. General Accounting Office; the American Samoa Government Territorial Auditor (Appendix 2); and independent public auditors. This report emphasizes audit reports issued since June 1986, the end of the period covered in our prior summary report¹ of March 1987. This information was supplemented by discussions with officials of the American Samoa Government and the Office of Insular Affairs and by audit followup data maintained by the Office of Inspector General.

Our compilation was made, as applicable, in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary to achieve the reporting objectives.

BACKGROUND

American Samoa is an unincorporated territory of the United States. The American Samoa Government has a popularly elected Governor, a bicameral Legislature, and a High Court. American Samoa is represented in the U.S. House of Representatives by a popularly elected Delegate to the Congress. The Government is organized into 23 cabinet-level departments, 8 agencies under the Office of the Governor, and 5 autonomous agencies or public corporations that are governed by boards of directors. The Government has approximately 4,500 employees.

¹Report No. S-TG-AMS-18-85

According to the Government's audited financial statements, General Fund resources totaled \$54.4 million for fiscal year 1992, consisting of \$21.7 million in taxes, \$23.4 million in Federal contributions, \$7.5 million in miscellaneous revenues, and \$1.8 million in transfers from other funds. However, expenditures and other uses totaled \$69.4 million, which resulted in a fiscal year 1992 operating deficit of about \$15 million. As of September 30, 1992, the General Fund had an accumulated deficit of \$23.2 million. Further, as of September 30, 1992, an American Samoa Government entity had one outstanding bond issuance with a remaining balance of about \$7.6 million.

Federal audits of the American Samoa Government are performed under authority of three Federal laws. The Inspector General Act of 1978 (Public Law 95-452) established the Office of Inspector General to conduct audits and investigations related to programs and operations of the U.S. Department of the Interior. The Office's mission is to: (1) conduct and supervise independent and objective audits and investigations; (2) promote economy, efficiency, and effectiveness; (3) prevent and detect fraud, waste, and abuse; (4) review and make recommendations regarding existing and proposed legislation and regulations; and (5) keep agency heads and the Congress fully informed of identified problems.

The Insular Areas Act of 1982 (Public Law 97-357) transferred the audit authority of the former Government Comptroller's Office of the U.S. Department of the Interior to the Office of Inspector General. The Single Audit Act of 1984 (Public Law 98-502) established a requirement for all state and local governments (including insular area governments) that receive \$100,000 or more in Federal assistance in any fiscal year to have a comprehensive financial audit performed for that fiscal year.

PRIOR AUDIT COVERAGE

In March 1987, the Office of Inspector General issued the special report "Status of Recommendations Made to the American Samoa Government" (No. S-TG-AMS-18-85). The report noted that from October 1, 1982, to June 30, 1986, the Office of Inspector General had issued 31 audit reports, with 374 recommendations. Followup reviews were performed for 12 of the 31 audit reports, and the reviews disclosed that 59 percent (64 out of 109) of the recommendations had not been implemented. Although many of the problems addressed in the 31 audit reports were corrected, problems still existed at the time of our current review in the areas of billings and collections, payroll, travel, expenditure processing, and materials procurements.

From July 1, 1986, to September 30, 1995, the Office of Inspector General issued 17 audit reports (Appendix 1) and the Territorial Audit Office issued 118 audit reports (Appendix 2) relating to the American Samoa Government. In addition, during this period the U.S. General Accounting Office issued two reports on American Samoa finances: "Ways To Reduce the Cost of Medical Referral Programs in Micronesia

and American Samoa” (No. GAO/NSIAD-84- 139) and “Inadequate Management and Oversight Contribute to Financial Problems” (No. GAO/NSIAD-92-64). Further, during the same period, independent public accountants issued single audit reports on the American Samoa Government for fiscal years 1986 through 1991. Also, on October 6, 1994, the Treasurer of American Samoa issued the audited fiscal year 1992 Comprehensive Annual Financial Report, and on October 10, 1995, according to the Territorial Auditor, the fiscal year 1992 single audit reports were released.²

²As of October 27, 1995, the cognizant Federal agency had not received the fiscal year 1992 single audit reports for the required review.

PART I - IDENTIFIED PROBLEM AREAS

Based on our review of significant audit reports issued by the Office of Inspector General, the General Accounting Office, the Territorial Auditor, and the American Samoa Government's independent public accountants, we concluded that although the Government has made improvements in financial management, expenditure control, revenue collection, and program operations, additional improvements are needed. The continuing problems associated with each of these areas are discussed in detail in the following narrative.

FINANCIAL MANAGEMENT

The Federal Government has continued to be concerned over long-standing problems in financial management operations of the American Samoa Government. In a June 1994 report,³ the Office of Inspector General estimated that, as of March 31, 1993, the Government's General Fund cash deficit was \$30.1 million (over 50 percent of the \$52.6 million General Fund revenues reported for fiscal year 1992). The report also stated that Government officials: (1) overestimated revenues by \$10.9 million over a 4-year period; (2) expended funds in excess of amounts appropriated; and (3) used Federal grant funds to cover funding shortfalls. According to a 1992 General Accounting Office report,⁴ the Government's inadequate financial management practices have been a primary cause of its deteriorating financial condition. Further, both the General Accounting Office report and the Inspector General report noted that the Government had not been effective in implementing its 1988, 1990, and 1993 financial recovery and cost containment plans, particularly in reducing personnel costs, which were over 67 percent of the Government's budgets. Also, on July 10, 1995, the Governor stated that the Government faced a "severe financial crisis," owed almost \$44 million, and barely had enough money to meet its biweekly payrolls.

The June 1994 Inspector General report stated that, since October 1991, the Government has been unable to use its automated financial management system to effectively control the Government's financial resources. In addition, on August 5, 1994, the Territorial Auditor reported⁵ that the Government could not properly manage its financial affairs because the Government lacked proper accounting records, did not know how much money was in the bank, and did not know how much money was owed to and by the Government. Further, in the single audit reports for fiscal year 1991, the independent public accountants stated that the Government's internal controls had not: (1) prevented or detected misstatements of

³Report No. 94-I-651

⁴Report No. GAO/NSIAD-92-64

⁵Report No. 94-104

accounting information and (2) ensured the appropriate review and approval of accounting transactions. The single audit reports for fiscal year 1990 noted similar problems. Also, the independent public accountant's report, dated September 30, 1994, on the General Purpose Financial Statements stated that "[t]he system of financial accounting and reporting in operation for the Government for the year ended September 30, 1992, was inadequate." The independent public accountants continued by noting: (1) "significant failures" in the underlying computer systems and in the internal control structure related to general accounting and grants administration, including the failure to prevent or detect misstatements of accounting information, and (2) a lack of appropriate management oversight and review and of approval of transactions. As a result of these deficiencies, the independent public accountants did not express an opinion on the financial statements.

Further, the Treasury Department has been unable to generate reliable financial reports because, according to the Government's Treasurer, accounting software acquired in 1991 was "incomplete and flawed" and the flaws "cannot be fixed." In addition, according to the Territorial Auditor, as of October 12, 1995, the Government had not issued a contract for the fiscal year 1995 single audit. He also stated that the independent public accountants had not completed work on the single audits for fiscal years 1993 and 1994 and were concerned about the poor condition of the Government's automated financial records.

Budgetary Control

In audit reports issued in 1987, 1989, and 1994,⁶ we concluded that Government officials did not have adequate budget discipline and a financial management system to provide the necessary data to effectively budget for and control expenditures. According to the 1992 General Accounting Office report, as of September 30, 1984, the General Fund had a surplus of approximately \$400,000. Less than 9 years later, at March 31, 1993, our June 1994 report estimated that the General Fund cumulative unreserved fund (amount of funds available for appropriations) showed a deficit of \$41.6 million.⁷ This report also noted that Government budget officials did not consider the cumulative deficit when determining annual budget submissions but instead budgeted only current year estimated expenditures. Because of the lack of budget discipline, the deficit was increasing.

The Government's audited financial statements show that the General Fund deficit had increased from \$6.5 million at the end of fiscal year 1991 to \$23.2 million at the end of fiscal year 1992. However, the fund deficit reported in the audited financial

⁶Report Nos. S-TG-AMS-11-86, 90-16, and 94-I-651

⁷We reduced the \$54 million deficit estimated in the 1994 report by \$12.4 million for items not normally reported on the balance sheet.

statements did not include either a reserve for encumbrances outstanding at year end or the \$1 million Income Tax Reserve Account required by American Samoa law. We included these items in our estimate of the deficit at March 31, 1993. Also, the fiscal year 1992 financial statements, dated October 6, 1994, included a note on subsequent events which stated that “the financial condition of the Government has continued to deteriorate since September 30, 1992.” Further, an official of the Treasury Department estimated that the fund deficit at the end of fiscal year 1994 would have increased to \$33 million (excluding required reserves for encumbrances and income taxes).

According to the three Inspector General reports, Government officials continually overestimated revenues, which resulted in appropriations in excess of actual revenues; did not follow the budget allotment process; and allowed department directors to routinely approve expenditures in excess of appropriations, which was in defiance of American Samoa law. From fiscal years 1985 through 1992, instances of overspending were reported routinely. For example:

In July 1987, we reported⁹ that 11 Government agencies exceeded their appropriations by a total of \$2.7 million for fiscal year 1985.

Also in July 1987, we reported¹⁰ that the Territorial Administration on Aging had not established financial and management controls to ensure that only authorized services were provided. For example, program managers overspent budgets for the Senior Community Service Employment Program (which assisted 268 participants), with the result that the Program had to shut down only 9 months into the Program year.

In the fiscal year 1992 Consolidated Annual Financial Report, the Government identified 21 agencies that had exceeded their appropriations by a total of \$8.5 million.

In February 1995, the Territorial Auditor reported¹¹ that expenditures for the multimillion dollar off-island medical referral program were substantially over budget in fiscal years 1992 and 1993 and the first 6 months of fiscal year 1994.

According to the 1992 General Accounting Office report, no Government officials had been held accountable for exceeding their appropriations, and the Attorney

⁸Encumbrances are anticipated expenditures evidenced by a contract or purchase order or determined by administrative action.

⁹Report No. S-TG-AMS-11-86

¹⁰Report No. S-TG-AMS-23-84

¹¹Report No. 95-102

General said that no instances of spending in excess of appropriations had been brought to his attention.

The financial problems resulting from the growing deficit are evidenced by the Government's delays in paying taxpayers' income tax refunds. For example, in fiscal year 1993, the Government used funds from a \$10.6 million Federal Emergency Management Agency disaster loan to pay tax year 1992 refunds; full payment of refunds for tax year 1993 was delayed over 6 months; and refundsof about \$400,000 for tax year 1994 were still outstanding as of September 28, 1995. Other financial problems included the inability of the Government, since October 1992, to pay for property insurance and the inability of the Government hospital to purchase needed supplies and repair needed equipment because of a shortage of funds.

Long-Term Debt

Although we have not performed any audits of the Government's long-term debt, the Government's fiscal year 1992 Consolidated Annual Financial Report stated that the total outstanding debt was \$17 million, including costs for prospective lease payments, accrued vacation, and estimated legal judgments. However, this amount included no bonded debt. The long-term debt was understated because, according to the report, the present value of future lease payments was included rather than the actual amount of the lease payments. Because the report did not disclose the actual total of the lease payments, the understated amount is unknown.

Grants Management

From October 1, 1982, to September 30, 1995, the Office of Inspector General issued 12 audit reports, the Territorial Auditor issued 39 reports, and independent public auditors issued 6 single audit reports on Federal grants received by the Government. The audit reports identified the following deficiencies: (1) Federal grant-specific funds were frequently used to pay for general government operations; (2) costs were unsupported and/or unallowable; and (3) material internal control weaknesses existed in grants management.

As a result of ineffective control over expenditures, the Government had withdrawn Federal grant funds in excess of immediate grant needs to use the funds for general operating expenditures. By March 31, 1993, the Government had improperly withdrawn an estimated \$10 million of Federal grant funds. Other common deficiencies identified during grant audits were as follows: (1) documentation supporting costs charged against the grants was inadequate; (2) prior grantor agency approval was not obtained for costs that were outside of or that exceeded the approved grant budgets; and (3) competitive procurement procedures were not used

or reasons were not documented as to why competitive procedures could not be used.

For example, our review of grants administration at the Department of Education¹² concluded that the Government delayed payment of grant program obligations to vendors and requested grant funds in excess of need in order to cover the General Fund operating cash shortfall. In our current review, we also identified charges to grant programs that were unsupported or unallowable. In another example, the Territorial Auditor reviewed the Territorial Administration on Aging¹³ and reported that in fiscal years 1991 and 1992, grant awards had been overspent by a total of \$580,009 and that the Government therefore had to use local revenues to cover the overexpenditures. Further, the fiscal year 1991 single audit reported that the Government's grants administration officials had not performed the appropriate review of grant transactions and did not have the necessary training to fulfill their assigned functions. Finally, the fiscal year 1990 and 1991 single audits identified questioned grant costs of over \$4.1 million and \$2.6 million, respectively.

EXPENDITURE CONTROL

We believe that the Government's existing procurement laws and regulations, if followed, are adequate to ensure that procurement actions are carried out in an efficient and effective manner and with a reasonable level of competition. However, our audits have shown that these laws and regulations have not always been complied with, which has significantly contributed to the Government's ineffective control over expenditures. Audits by the General Accounting Office, the Inspector General, and independent public accountants¹⁴ of the Government's procurement activities determined that the Government did not obtain adequate competition on procurements and did not adequately comply with other expenditure guidelines intended to reduce the cost of Government programs. For example:

The 1992 General Accounting Office report stated that Government officials often "ignored" and "circumvented" laws, policies, and rules for exercising management control over Government procurement and contracting practices. The auditors identified many instances where competitive bidding was not performed, procurement actions were not properly reviewed, and contract files did not contain required information.

¹²Report No. 93-I-1600

¹³Report No. 94-01

¹⁴Single audit for fiscal year 1991

Two General Accounting Office reports,¹⁵ our November 1989 report¹⁶ on the Government's financial condition, and a February 1995 Territorial Auditor report¹⁷ stated that the Government did not have control over Medical Referral Program expenditures. Excess costs were incurred because hospital officials bypassed referral procedures and sent patients to private clinics rather than to the less expensive Tripler Army Medical Center in Honolulu, which was available through an interagency agreement. According to the 1992 General Accounting Office report, in fiscal year 1990 the Government spent \$3.6 million for off-island health care, \$2.2 million in excess of the amount budgeted. In fiscal year 1992, Health Department expenditures were \$5.6 million in excess of the \$13 million budgeted.

Our August 1990 report¹⁸ disclosed that the Government did not discount advance lease payments to reflect the present value of future lease payments, which resulted in the uneconomical and inefficient use of over \$1 million.

Two Inspector General procurement audit reports¹⁹ disclosed that the Government: (1) did not adequately justify making procurements on a sole source basis despite the availability of the products from other sources at significant savings and (2) did not adequately enforce conflict-of-interest standards when procuring communications equipment. In a 1988 report,²⁰ we identified five unjustified sole source procurements totaling \$1 million that appear to have cost the Government almost \$500,000 more than necessary.

A May 1995 Territorial Auditor report²¹ on the procurement, control, and use of Government vehicles stated that there was little or no control over the selection, purchase, and use of Government vehicles. The report stated that during calendar year 1994, the Government purchased 38 new passenger-type vehicles at an average cost of \$20,438 and that Department directors had almost total discretion in selecting and equipping the vehicles. For example, Federal school lunch program funds were used to purchase a small pickup truck for \$12,850 and a sports utility vehicle for \$24,659, both apparently for use in the lunch program. The report stated that the Government could save about \$283,000 annually if it implemented the report's recommendations.

¹⁵Report Nos. GAO/NSIAD-84-139 and GAO/NSIAD-92-64

¹⁶Report No. 90-16

¹⁷Report No. 95-102

¹⁸Report No. 90-90

¹⁹Report Nos. 88-109 and S-TG-AMS-09-86

²⁰Report No. 88-109

²¹Report No. 95-106

REVENUE COLLECTION

Although the Government's General Fund revenues increased almost 12 percent, from \$47.1 million in fiscal year 1986 to \$52.6 million in fiscal year 1992, the audits by the General Accounting Office, the Inspector General, the Territorial Auditor, and the independent public accountants concluded that further improvements could be made in the areas of assessment, enforcement, and collection of taxes and in the collection of accounts receivable. For example:

Our August 1989 report²² on the assessment and collection of taxes disclosed: (1) substantial potential for fraud, waste, and mismanagement and (2) the continued loss of opportunities to collect additional revenues from the Government's income, excise, and sales taxes. For example, the report noted significant weaknesses in management controls over the tax enforcement and collection functions in the accountability for tax returns and related documents.

The April 1992 General Accounting Office report stated that the Government had not ensured that individuals and businesses were filing tax returns and reporting miscellaneous income. In addition, the report noted that the Government had a substantial backlog of unassigned collection and tax audit cases and that "political interference" and "favoritism" impeded tax collection.

The fiscal year 1991 single audit reported that controls in place did not adequately account for and monitor taxes due the Government.

In August 1990, we reported²³ that the Government had not aggressively collected past-due rents on leased Government-owned property because the Government: (1) had not established a formal system to ensure timely collection of rents; (2) had not included language in lease agreements that required lessees to pay late penalties; and (3) had seldom subjected lessees with delinquent payments to the legal eviction process.

In 1994 and 1995, the Territorial Auditor reported²⁴ that the Government hospital, the golf course, and the Tradesmen's Licensing Board did not have adequate procedures to ensure that cash and other collections were deposited intact to the Treasury. Although the report on the Licensing Board did not include an estimate of losses, the hospital and golf course reports identified over \$25,000 that was apparently collected over an 8-month period but not deposited.

²²Report No. 89-106

²³Report No. 90-90

²⁴Report Nos. 94-002, 94-103, and 95-105

PROGRAM OPERATIONS

The Government is responsible for providing such diverse services as public education, health care, parks and recreational facilities, police and fire protection, airport and seaport facilities, a judiciary and prison system, solid waste disposal, roads, and telephone service. Additionally, the Government's autonomous agencies are responsible for providing developmental loans, economic and agricultural development, higher education, water, sewage disposal, and power. Although most of these services are generally provided in an efficient and effective manner, the continuing Governmentwide financial crisis has negatively impacted operations in several areas. The severe shortage of funds resulted in situations such as the Government's inability to: (1) correct serious structural deterioration in its largest high school and (2) repair roads and pay fair compensation for land taken for new roads. Although our audits generally focused on the ongoing financial crisis, we identified areas where improvements could be made both in program operations and property management. For example:

In November 1991, we reported²⁵ that the Government had not established a permanent seawall construction capability despite receiving a \$1.5 million grant for this purpose and hiring a construction manager. As of May 1991, 3 years after the grant award, we noted that no part of the seawall had been constructed.

In January 1988, we reported²⁶ that the American Samoa Development Bank approved and disbursed loans without adequate analysis and control to ensure that the loans could be repaid and that the proceeds were used as provided for in the loan applications.

Property Management

Our review of the Government's property management practices, the Government's single audit reports, and our audits of individual agencies disclosed that significant improvements are needed in safeguards over valuable Government property and equipment. For example:

In August 1990, we reported²⁷ that the Government did not have a current inventory of all Government-owned property or a system of property management which should include procedures for acquiring, leasing, and disposing of property.

²⁵Report No. 92-I-128

²⁶Report No. 88-33

²⁷Report No. 90-90

In January 1989, we reported²⁸ that Government property was particularly vulnerable to waste, misuse, or loss because property accountability had not been properly established either by the Chief Procurement Officer or department and agency heads. A significant amount of property could not be located during our physical inventories, and much of the property reported on the 1986 inventory report could not be accounted for.

According to the Government's single audit reports for fiscal years 1991, 1990, and 1989, the system for receiving, identifying, and tracking fixed assets was not adequate to account for assets belonging to the Government. The Government's General Fixed Asset Account Group lacked supporting documentation, and the detailed subledger and the general ledger were not reconciled. Also, the Government's controls over the Account Group were inadequate. In addition, the independent public accountants for the fiscal year 1992 financial statements reported that since the Government's computer system records on General Fund fixed assets were not available, balances for fiscal year 1991 were used to prepare the fiscal year 1992 report.

²⁸Report No. 89-40

PART II - CORRECTIVE ACTIONS TAKEN

AMERICAN SAMOA GOVERNMENT

The American Samoa Government has taken various corrective actions to begin to address some of the long-standing problems discussed in Part I of this report. Some of these improvements have resulted from the Government's own initiatives, while others have been made with encouragement from the U.S. Congress and assistance from the Office of Insular Affairs, U.S. Department of the Interior, and other Federal agencies.

Financial Management

As a result of the 1992 General Accounting Office report, the U.S. Congress directed that a joint working group be established with both American Samoa and Department of the Interior members to develop a plan to address the management and financial problems identified in the report. The working group was established in September 1992 and, in April 1993, submitted its Plan of Action to the Congress. In January 1994, the current administration expanded the mandate of the working group to include the development of a financial recovery plan, and in August 1995, the first working draft of the plan was completed. Also, on December 15, 1993, the Governor established the American Samoa Hospital Authority in order to provide medical services in accordance with sound business and accounting practices.

Although prior efforts to reduce the deficits have been mostly ineffective, the current administration has taken three recent actions that may help to control the deficit. On September 22, 1994, the Governor issued Executive Order 10-1994 to control and limit the Government's personnel costs by requiring the Governor's advance approval before hiring new personnel, authorizing overtime and compensatory time, promoting and reclassifying employees, renewing any contract employee, and authorizing administrative leave. In addition, from April 23 through August 12, 1995, the Governor reduced the workweek of Executive Branch employees to 36 hours for duty and pay purposes in order to improve the Government's financial position. Finally, on September 30, 1995, the Acting Governor approved the fiscal year 1996 Government budget of \$149.6 million, which was \$5.1 million below the estimated revenues of \$154.7 million.

Internal Audit Function

The American Samoa Government has an effective but limited internal audit and investigation function, the Territorial Audit Office. On August 19, 1985, the Governor signed Public Law 19-21, which created the Territorial Audit Office as an independent agency. (Until 1985, this function was performed by the Internal Audit

Office, which was part of the Office of the Governor.) The Territorial Audit Office is under the direction of the Territorial Auditor, who is appointed by the Governor and confirmed by the Legislature for a term of 4 years with a two-term limit. The current Territorial Auditor was appointed in March 1994, and his term of office expires in March 1998. For fiscal year 1996, the Territorial Auditor had an appropriated budget of \$254,000 and 9 authorized positions, including 8 audit staff and supervisors. In addition, the Federal Government provided \$50,000 for the first year of a 2-year contract to assist in employing a qualified Audit Manager.

The Territorial Audit Office is authorized to perform audits and investigations, but only in the Executive Branch. A recent legal interpretation stated that the Territorial Auditor did not have audit access to either the Legislature or the Judiciary unless the entity requested an audit. Audit Office audits are to be performed in accordance with audit standards issued by the U.S. General Accounting Office and the American Institute of Certified Public Accountants. The Audit Office's final audit reports are issued to appropriate auditee officials, the Governor, and the Legislature and are also available to the public.

From fiscal years 1982 through 1995, the Territorial Audit Office and its predecessor office issued 118 audit reports (Appendix 2). Although we have not conducted any audits or quality assurance reviews of operations of the Territorial Audit Office, we believe, based on our review of the Audit Office's recently published reports, that the Audit Office is becoming more effective in carrying out its internal audit responsibilities.

Expenditure Control

As indicated in Part I of this report, we believe that the Government's procurement laws, rules, and regulations are sufficiently detailed to provide for a reasonably efficient and effective competitive procurement function. In addition, the Governor had issued several directives to control expenditures, especially personnel costs. Although some Government officials had not cooperated fully with the Governor's efforts to control expenditures, the Governor had taken action to encourage compliance. For example, in July 1994, the Governor accepted the resignation of a senior official after the official paid employees for excess compensatory time without the Governor's approval and in violation of an Executive order. In addition, in September 1994, the Governor issued Executive Order 10-1994 to ensure that all Government employees were notified of the limitations on authorizing additional personnel costs.

Revenue Collection

The American Samoa Government made the following improvements in revenue collections:

- In June 1994, the Governor approved an increase of 14 positions, to a total of 50, in the American Samoa Tax Office. The additional personnel were expected to bring in millions of dollars in uncollected taxes by improving collections and by increasing audits of backlogged cases.

Also in June 1994, the airport initiated a \$1 parking fee, which a Government official estimated would raise \$100,000 per year. This amount could be used to reduce the \$500,000 annual subsidy from the General Fund.

On October 1, 1994, the Government enacted a law that increased the fee on fuel dispensed from the Government tank farm from 3 to 4 cents per gallon. The Government designated one-half of the 4 cent fuel fee revenue to purchase medical supplies and drugs for the Government hospital and the other half for tank farm improvements.

Also in October 1994, the Federal Aviation Authority agreed in principle to a \$3 airport departure tax, which would raise an estimated \$250,000 per year to be used for airport repairs and improvements.

On August 10, 1995, the Governor signed a law increasing consumption taxes and import duties on most consumer goods, which was expected to raise about \$6 million annually. The new law also requires the majority of the new revenues to be deposited into a "Deficiency Reduction Fund" for payment of the Government's prior year obligations.

Infrastructure

Although the American Samoa Government has not been able to finance major improvements to its infrastructure because of its continuing financial crisis, in May 1994 the Government, in cooperation with a major petroleum importer, began a major renovation of the American Samoa tank farm fuel storage facility. Larger and improved fuel storage facilities should increase Government revenues from petroleum taxes and fees, including sales to neighboring South Pacific islands. In addition, the Government prepared a 5-year Capital Improvement Plan to detail infrastructure needs, estimate the costs of necessary projects, and establish priorities for specific projects. In April 1995, a preliminary report estimated that \$286 million would be needed to fund necessary infrastructure projects over the next 10 years.

OFFICE OF INSULAR AFFAIRS

The Office of Insular Affairs, U.S. Department of the Interior (formerly the Office of Territorial and International Affairs), serves primarily to facilitate Federal relations with and assist the insular areas of the United States. In this capacity, Insular Affairs has provided significant amounts of financial and technical assistance to the American Samoa Government.

Technical Assistance

Technical assistance to the American Samoa Government has been provided through direct grants, reimbursable agreements with Federal Government agencies, contracts with private firms, and direct assistance by Insular Affairs staff. In addition, as a result of the Government's serious financial problems, in September 1993, the Assistant Secretary for Territorial and International Affairs met with the Governor of American Samoa to develop a framework to achieve financial recovery for the American Samoa Government and to improve financial systems and controls. The American Samoa Government and Insular Affairs entered into partnership agreements in four areas to provide: (1) a Joint Working Group for financial recovery and planning; (2) a comanagement and maintenance program for the American Samoa hospital; (3) a management and skills program in conjunction with the Internal Revenue Service for improving tax collection and enforcement; and (4) a U.S. Department of Justice assessment team to provide investigative assistance to the American Samoa Attorney General.

From 1983 through 1995, Insular Affairs administered over 100 technical assistance grants to the Government, which totaled more than \$11 million. In addition, American Samoa receives benefits from at least six other technical assistance grants, totaling \$2 million, which were intended for use by American Samoa and other insular areas. Examples of recent technical assistance provided to the Government are as follows:

- In 1991, Insular Affairs provided a grant of \$96,000 to be used to improve the operations of the Office of the Territorial Auditor. The Government used the grant in fiscal years 1994 and 1995 to fund the newly appointed Territorial Auditor.
- In 1993, at the request of the Government and Insular Affairs, the U.S. Public Health Service evaluated the Government's off-island health care program and made recommendations to strengthen medical referral policies and procedures to effect a cost-efficient program.
- In February 1994, funded by a technical assistance grant, a U.S. Department of Justice team arrived in American Samoa to evaluate the Government's needs and

recommend the type and amount of training assistance most suitable for law enforcement needs. In September 1994, the Department of Justice provided several types of law enforcement training to Government officials.

- Also in February 1994, Insular Affairs awarded three matching grants, totaling \$600,000, for projects to improve utility service to American Samoa residents, including preparation of a utilities master plan and projects to improve the Power Authority's operational and maintenance capacity, and to repair and maintain water system booster pumps.

- In 1994, Insular Affairs provided a \$70,000 technical assistance grant to help the Government close out its financial statements for fiscal years 1992 and 1993.

- In June 1994, a team from the Operation and Maintenance Improvement Program (funded by Insular Affairs) made a priority recommendation that the Government hire a Maintenance Engineer for the Government Hospital. The position was jointly funded with Federal grant and local funds and filled for 1 year; however, as of July 1995, the position was again vacant and the Government was seeking a replacement engineer.

- During fiscal year 1994, 207 Government employees participated in governmental accounting, auditing, management, and procurement courses provided through the U.S. Department of Agriculture Graduate School. Insular Affairs established this program in 1990 to provide a wide range of training to employees of the Pacific Island governments, including American Samoa.

In December 1994, Insular Affairs awarded a \$305,000 grant to fund the first year of a 3-year project to assist the Government in the cost of hiring an independent contractor to provide management and technical assistance to the Government's medical center.

In April 1995, Insular Affairs provided a grant of \$1.67 million to fund the replacement of the Government's existing financial management system by purchasing a new automated system and training personnel to operate the system. Also, the grant was to fund the first year of four 2-year contracts for three professional accounting managers for the Treasury Department and an audit manager for the Territorial Audit Office. In June 1995, the Government issued a request for proposal for the new financial system. Bids were received in September 1995, vendor site visits were scheduled for November 1995, and the Government expects the system to be operational by October 1996.

Also in April 1995, Insular Affairs awarded a grant of \$300,000 to fund the cost of a contractor to perform a comprehensive study of the Government's organization, financial condition, and economic status and to make recommendations

for improvements in each area. The first working draft of the financial recovery plan was completed in August 1995, and meetings to discuss the reorganization plan were scheduled for December 1995.

Capital Improvement Assistance

In addition to technical assistance, Insular Affairs has awarded and administered grants for capital improvement projects from funds appropriated by the U.S. Congress. According to Insular Affairs, from October 1, 1984, through March 31, 1995, the American Samoa Government received 35 capital improvement grants totaling approximately \$39.8 million, as follows:

- To purchase, upgrade, and rehabilitate electric power generation and distribution systems in American Samoa, the Government received three grants, totaling \$9 million, in fiscal years 1991 through 1993.

- To construct and rehabilitate potable water distribution systems at various points in American Samoa, the Government received five separate grants, totaling \$8.3 million, in fiscal years 1990 through 1995.

- To construct classrooms and fences at various schools and to purchase school buses, the Government received a total of \$6.6 million in 10 grants during fiscal years 1986 through 1995.

- To purchase equipment, renovate facilities, and repair the hospital roof, the Government received four grants in fiscal years 1986, 1989, 1994, and 1995, totaling \$3.3 million.

- To install and extend sewer lines, the Government received three grants, totaling \$3.3 million, in fiscal years 1993, 1994, and 1995.

- To rehabilitate the American Samoa fuel dock, the Government received \$1.6 million in fiscal year 1988.

- Other capital improvement projects included prison expansion; court house renovation; and construction of a harbour, seawall, community centers, gymnasiums, and a library building.

As of April 1995, the classroom construction was in progress, the power system improvements were almost complete, and significant progress had been made in repairing the hospital and in improving the water and wastewater systems.

PART III - FUTURE GOALS FOR IMPROVEMENT

The Office of Inspector General has developed basic performance goals in the areas of financial management, expenditure and revenue control, and program operations that we believe the American Samoa Government should strive to achieve. These goals are based on: (1) applicable provisions of United States law, the Code of Federal Regulations, and U.S. Office of Management and Budget circulars; (2) the American Samoa Code Annotated, the American Samoa Government Administrative Rules, and other established policies and procedures of the American Samoa Government; and (3) the body of accounting and financial reporting standards commonly referred to as “generally accepted accounting principles.” In our future audits of Government programs and operations, we will evaluate the progress being made by the Government in achieving the following overall goals:

- Effective financial management should include the ability to: (1) accurately account for Federal and local funds and property and provide timely and accurate reports to government managers and grantor agencies; (2) establish budgets based on realistic revenue projections, make allotments based on actual revenues, limit expenditures to approved allotment and appropriation levels, and control bonded and other long-term debt; (3) ensure compliance with the Single Audit Act, Federal grant regulations as issued by the Office of Management and Budget, and specific grant program requirements and accurately record grant program transactions; and (4) maintain an active, independent, and objective internal audit function.

- Effective procurement and supply management should include the ability to: (1) procure quality goods and services at the lowest cost and in accordance with applicable Federal and local procurement regulations and (2) provide goods and services to agencies and pay vendors and contractors within reasonable time frames.

- Effective revenue collection should include the ability to accurately determine and account for all funds due the Government and promptly assess and collect such funds.

- Effective program operations should include the ability to: (1) provide basic services and infrastructure facilities in an efficient and effective manner; (2) recruit qualified personnel needed to effectively carry out program objectives; and (3) properly maintain, safeguard, and account for the Government’s property and equipment in accordance with applicable Federal and local regulations.

FINANCIAL MANAGEMENT

To meet the financial management requirements of generally accepted accounting principals, the Insular Areas Act of 1982, the Single Audit Act of 1984, Federal grant management requirements, and budget-related provisions of American Samoa law, the Government should:

- Complete the replacement of its automated financial management system with a financial management system that provides the Government with accurate, complete, and timely financial and budget information.

- Implement the Government's Plan of Action, which was prepared at the request of the U.S. Congress to address the recommendations contained in the 1992 General Accounting Office audit report. The Plan includes steps to reduce the General Fund deficit, improve the budget process, increase revenue collections, reduce personnel and health expenditures, and reduce expenditures for contracts and goods by improving the procurement process.

- Ensure strict budget discipline to control expenditures and restrict allotments to available cash.

- Enforce the prohibition, contained in Title 10 of the American Samoa Code Annotated, against making or authorizing expenditures and obligations in excess of amounts available. If an Attorney General's investigation determines that officials violated this law, they should be subjected to administrative and/or criminal sanctions as appropriate.

- Negotiate agreements with the appropriate Federal agencies to reimburse or otherwise resolve to the Federal agencies' satisfaction all unauthorized transfers and uses of Federal grant funds.

- Ensure that Government officials comply with the Government procurement law and obtain prior grantor approval for any proposed grant charges outside of or in excess of the approved grant budgets.

- Resolve prior period single audit findings on the financial statements and Federal grants,

- Ensure that the Treasury Department produces comprehensive annual financial reports within 90 days after the end of each fiscal year, as required by the Insular Areas Act of 1982, and the Government contracts for the single audits that are to be completed and published within 1 year of the end of each fiscal year, as required by the Single Audit Act of 1984,

EXPENDITURE CONTROL

To improve its ability to control expenditures, the Government should:

- Ensure that Government agencies comply with existing procurement laws and regulations, including adequately justifying the award of all sole source procurements, maintaining complete and accurate records of procurement actions, and disciplining personnel who violate the procurement law and regulations.

- Ensure that it strictly complies with procedures for authorizing and documenting off-island medical referrals and collects excess costs from patients receiving off-island health care at facilities other than Tripler Army Medical Center.

- Ensure that Government agencies do not make advance payments on leases or other contracts unless the advance payments are advantageous to the Government and the payments are discounted to reflect the time value of money.

REVENUE COLLECTION

To improve its ability to generate and collect revenues, the Government should:

- Ensure that individuals and businesses pay taxes on all their income, the Tax Office maintains complete and accurate records of taxation transactions and aggressively collects all delinquent income taxes, and the Attorney General investigates and takes appropriate action on any alleged interference by Government officials in tax examinations.

Ensure that all agencies that generate accounts receivable, including leases receivable, have procedures to maintain accurate and up-to-date records of amounts owed to the Government and aggressively enforce the collection of such receivables. Emphasis should be placed on collecting receivables and revising rates for those agencies that require supplemental funding from the General Fund, such as the Health Department (hospital and medical referral program), airport, and golf course.

Ensure that cash collections made at sites remote from the Treasury, such as the hospital and the golf course, are deposited in full and in a timely manner.

PROGRAM OPERATIONS

To improve its program operations, the Government should:

- Ensure that seawall construction and construction capabilities are continued by employing and/or training project management and personnel and transferring equipment funded by the Federal seawall grant to the seawall construction program.

- Ensure that the American Samoa Development Bank provides adequate analysis and control in issuing and disbursing loans so that the loans are repaid and the proceeds are used as provided in the loan applications.

- Ensure that official accountability is clearly established for all Government real property and capitalized personal property and that property transactions are recorded promptly and accurately.

- Ensure that the General Fund fixed assets estimated at \$81.3 million are adequately identified and tracked and that the asset records are periodically reconciled.

CONCLUSION

Since October 1982, when it was assigned Federal audit responsibility for American Samoa, the Office of Inspector General has issued 55 audit reports on programs and activities of the American Samoa Government. In addition, the General Accounting Office and the Territorial Auditor also issued audit reports affirming issues raised by the Inspector General reports. Although these reports disclosed problems and deficiencies, the purpose of the reports has always been to serve as a catalyst for change and improvement. The reports contained a large number of recommendations that, if implemented, would have resulted in improvements in the efficiency and effectiveness of Government operations. Many of these recommendations have been implemented. However, many others have not been implemented for various reasons, including nonconcurrence by the Government; the lack of sufficient funds or staff resources; the need for technical assistance, training, or other guidance; and the low priority given by the agencies audited.

This report has highlighted: (1) the major long-standing problems in financial management and program operations that the audits have identified; (2) the positive actions taken by the American Samoa Government and the Office of Insular Affairs to address those problems; and (3) the basic performance goals and specific improvement actions that the Government should strive to achieve in the areas of financial management, expenditure control, revenue collection, and program operations. The report can serve as a guide for the American Samoa Government and the appropriate Federal agencies to establish priorities for future technical assistance projects. We continue to believe that if the Government works toward implementing the corrective actions recommended in our audit reports, the resulting improvements in Government operations would ultimately benefit all American Samoa residents.

OFFICE OF INSPECTOR GENERAL REPORTS

| <u>Assignment No.</u> | <u>Report No.</u> | <u>Report Short Title</u> | <u>Date</u> |
|-----------------------|-------------------|---|-------------|
| FINANCIAL MANAGEMENT | | | |
| S-TG-AMS-14-83A | | Dept. Interior Capital Improvement Projects | 03/28/83 |
| S-TG-AMS-14-83B | | Fiscal Management | 03/28/83 |
| S-TG-AMS-07-83 | | Activities of Department of Education | 04/25/83 |
| S-TG-AMS-18-83A | | Revenues | 05/20/83 |
| S-TG-AMS-09-83 | | Management of Economic Development Funds | 08/18/83 |
| S-MO-MOI-12-84A | | Financial Situation Fiscal Year 1983* | 10/19/83 |
| S-TG-AMS-20-83 | | Inactive Federal Grants* | 01/26/84 |
| S-TG-AMS-18-83 | | Public Works Operations and Maintenance | 01/31/84 |
| S-MO-MOI-12-84 | | Annual Report Fiscal Year 1983** | 02/15/84 |
| S-TG-AMS-07-84A | | Financial Condition at March 31, 1984* | 05/25/84 |
| S-TG-AMS-15-84 | | Manual Checks | 07/25/84 |
| S-TG-AMS-19-85 | | Election Year Transition* | 02/19/85 |
| S-TG-AMS-20-85 | | Am. Samoa Development Bank Controls | 06/18/85 |
| S-TG-AMS-07-84 | | 1983 Annual Financial Statement Audit | 09/30/85 |
| S-TG-AMS-10-85 | | Financial Management Information System | 03/28/86 |
| S-TG-AMS-07-85 | | 1984 Annual Financial Statements Audit ** | 01/30/87 |
| S-TG-AMS-11-86 | | Administrative Control of Funds** | 07/02/87 |
| S-TG-AMS-23-84 | | Territorial Administration on Aging** | 07/16/87 |
| S-TG-AMS-07-87 | 88-033 | Am. Samoa Development Bank Operations* * | 01/28/88 |
| S-TG-AMS-20-89 | 90-016 | Financial Condition of Government** | 11/24/89 |
| S-IN-AMS-01-91 | 92-1-128 | Seawall Construction Grant** | 11/12/91 |
| N-IN-AMS-11-92 | 93-1-1600 | Education Grant Administration* * | 09/30/93 |
| N-IN-AMS-04-93 | 94-1-651 | Estimated Financial Condition* * | 06/06/94 |
| EXPENDITURE CONTROL | | | |
| S-TG-AMS-19-83 | | Procurement Practices | 08/1 1/83 |
| S-TG-AMS-12-83 | | Marine Railway Dry Dock Expansion | 11/15/83 |
| S-TG-AMS-16-83 | | Payroll Operations | 12/12/83 |
| E-TG-AMS-27-83 | | Washington Office of the Governor* | 03/02/84 |
| S-TG-AMS-23-83 | | Travel Management | 03/20/84 |
| S-TG-AMS-15-84A | | Imprest Fund, Am. Samoa Office in Hawaii | 04/25/84 |
| S-TG-AMS-29-83 | | Main Dock Expansion, Capital Improvement | 10/18/84 |
| S-TG-AMS-21-84 | | Administration of Canton/Enderbury Islands | 11/20/84 |
| S-TG-AMS-14-84 | | Public Work's Materials and Supplies | 03/11/85 |
| S-TG-AMS-21-85 | | Golf Course Enterprise Fund | 03/27/86 |
| S-TG-AMS-22-85 | | Costs Incurred - House of Representatives** | 12/10/86 |
| S-TG-AMS-09-86 | | Survey of Communication's Procurements* * | 08/20/87 |
| S-TG-AMS-08-87 | 88-76 | Administration of Travel** | 05/06/88 |
| S-TG-AMS-09-87 | 88-109 | Review of Procurement Practices** | 08/31/88 |

*Reports not included in the March 1987 OIG status report.

**Reports issued after June 1986, the final month covered by the previous OIG status report issued in March 1987.

| <u>Assignment No.</u> | <u>Report No.</u> | <u>Report Short Title</u> | <u>Date</u> |
|-----------------------|-------------------|--|-------------|
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| S-TG-AMS-11-84 | | Power Authority Billing and Collection | 08/03/84 |
| S-TG-AMS-13-84 | | Collecting and Accounting for Excise Taxes | 10/23/84 |
| S-TG-AMS-06-85A | | Proposed Revenue Bills in Legislature* | 02/12/85 |
| S-TG-AMS-16-85A | | Tax Office Management | 02/21/85 |
| S-TG-AMS-15-85 | | Communications Office | 02/26/85 |
| S-TG-AMS-12-84 | | Water Systems Billing and Collection | 03/06/85 |
| S-TG-AMS-20-84 | | American Samoa Liquor Store | 12/05/85 |
| S-TG-AMS-10-84 | | Medical Services Billing and Collection | 12/27/85 |
| S-TG-AMS-16-85 | | Territorial Income Tax System | 05/02/86 |
| S-TG-AMS-11-85 | | Tax Incentive Program* * | 08/06/87 |
| S-TG-AMS-11-88 | 89-106 | Assessment and Collection of Taxes** | 08/24/89 |
| S-TG-AMS-22-89 | 90-090 | Lease Administration Practices* * | 08/16/90 |
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| S-TG-AMS-19-84 | | Office of the Attorney General | 11/15/84 |
| S-TG-AMS-10-88 | 89-040 | Property Management ** | 01/31/89 |
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| S-TG-AMS-13-83 | | Status of Audit Recommendations | 02/25/83 |
| S-TG-AMS-23-84A | | Nutrition Services Food Program | 02/27/85 |
| S-TG-AMS-08-85 | | Selected Operations - FY 1984 Report* | 03/29/85 |
| S-TG-AMS-18-85 | | Status of Audit Recommendations** | 03/13/87 |

TERRITORIAL AUDIT OFFICE AUDIT REPORTS

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| FINANCIAL MANAGEMENT | |
| 82-001 | FEMA - Western District Disaster Fund |
| 82-002 | School Lunch Program - Dept. Education |
| 82-003 | Criminal Justice Planning Assistance - One Grant |
| 82-004 | Criminal Justice Planning Assistance - Two Grants |
| 82-005 | Criminal Justice Planning Assistance - Three Grants |
| 82-006 | Criminal Justice Planning Assistance - One Grant |
| 82-007 | Criminal Justice Planning Assistance - Three Grants |
| 82-008 | Criminal Justice Planning Assistance - One Grant |
| 82-009 | Criminal Justice Planning Assistance - One Grant |
| 82-010 | Criminal Justice Planning Assistance - Two Grants |
| 82-011 | Criminal Justice Planning Assistance - One Grant |
| 82-012 | Criminal Justice Planning Assistance - One Grant |
| 82-013 | Federal Highway Grants - TER-5-102 |
| 82-014 | Federal Highway Grants - TER-F-0005 |
| 82-016 | Office of Traffic Safety |
| 82-019 | Highway Safety Program - Office of Traffic Safety |
| 82-020 | Financial Audit - Public Television Station |
| 83-001 | Survey of the Arts Council |
| 83-002 | Office of Vocational Rehabilitation |
| 84-005 | Early Childhood Education - Dept. of Education |
| 84-006 | Limited Scope Federal Grants Review - FY 1980 & 1981 |
| 84-009 | Disaster Preparedness Grants - Dept. of Public Safety |
| 84-014 | Alcohol, Drug Abuse & Mental Health Services Block Grant |
| 84-017 | American Samoa Arts Council |
| 85-004 | FY 1984 & FY 1983 Financial Audit - Public Television Station |
| 85-006 | Governor's Washington Office |
| 85-008 | Development Bank of American Samoa |
| 86-001 | FEMA State Disaster Assistance Agreement |
| 86-002 | School Lunch Program Inventory - Dept. of Education |
| 86-003 | America Samoa Office - Hawaii |
| 86-004 | Head Start Grants - Dept. Health & Human Services |
| 87-004 | Petty Cash & Change Fund - Golf Course |
| 87-005 | Student Services and Gov't Assn. Funds - Community College |
| 87-008 | FY 1984 / FY 1985 Financial Audit - Public Television Station |
| 87-011 | National Endowment for Arts Grants |
| 87-012 | National Endowment for Arts Grant |
| 87-013 | Development Bank of American Samoa |
| 88-002 | FY 1987 Financial Audit - Public Television Station |
| 89-004 | America Samoa Office - Hawaii |
| 89-006 | FY 1988 Financial Audit - Public Television Station |
| 89-008 | Barston Foundation - Dept. of Education |
| 89-009 | JROTC Program - Dept. of Education |
| 89-011 | Drug Free Schools Grant - Dept. of Education |
| 90-001 | Development Bank of American Samoa |
| 90-002 | Government Housing Funds |
| 90-005 | Legal Interpretation Request on Wharfage - Office on Aging |
| 91-002 | Financial Audit - Public Television Station |

| <u>Report No.</u> | <u>Report Subject Area</u> |
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| 93-001 | American Samoa Office - Hawaii |
| 93-002 | Financial Audit - Public Television Station |
| 93-003 | Cash & Cash Equivalents - Development Bank |
| 94-001 | Grant and Food Voucher Program - Administration on Aging |
| 94-104 | Status of Accounting Records - Dept. of Treasury |
| 95-101 | FY 1993/FY 1994 Financial Audit - Public Television Station |
| 95-103 | FY 1993/FY 1994 Financial Audit - Rainmaker Hotel |

EXPENDITURE CONTROL

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| 84-007 | Workman's Compensation for Government Employees |
| 84-008 | Airport Security Fencing - Dept. of Port Administration |
| 84-010 | Inventory Counts - Material Management Division |
| 84-011 | Purchase Requisition Special Investigation |
| 84-012 | Meadow Gold Inventory - June 1984 |
| 84-013 | Emergency Food & Shelter Program |
| 85-003 | Medical Supplies Inventory Account |
| 89-001 | Fuel Price Review - Power Authority |
| 89-005 | Work Order/Procurement - Power Authority |
| 92-003 | Unleaded and Diesel Fuel Prices - So. Pacific Resources, Inc. |
| 95-102 | Off-Island Medical Referral Program |
| 95-106 | Procurement, Control, and Use of Government Vehicles |

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| 84-003 | Cash Sales - General Supply - Dept. Material Management |
| 84-015 | Cash Collection - Vital Statistics - Dept. of Health |
| 85-002 | Hospital Cafeteria Funds |
| 85-005 | Insurance Premiums Charged to Local Bus Drivers |
| 86-005 | Cash Collection & Operations - Office of Weights & Measures |
| 86-006 | Cash Count - Territorial Administration on Aging |
| 86-007/8 | Undeposited Receipts from Communication Offices |
| 86-009 | Cash Count & Collection Review - Vocational Rehabilitation |
| 86-010 | Cash Collections - Hospital Cafeteria |
| 87-002 | Cash Collection and Operation - Weights & Measures Office |
| 87-003 | Tuition Collection - Am. Samoa Community College |
| 87-006 | Cash Collection & Operation - Dept. Public Safety |
| 87-007 | Cash Count & Collection Review - Vocational Rehabilitation |
| 88-003 | Cash Collections & Deposit - Dept. of Motor Vehicles |
| 89-002 | Cash Collection/Deposit & Petty Cash - Parks & Recreation |
| 89-003 | Cash Collection & Deposit - Port Administration |
| 90-003 | Revenue & Cash Collection - Golf Course |
| 90-007 | Cash Collection & Deposit - Hospital |
| 91-001 | Terminal Operating Costs - So. Pacific Resources, Inc. |
| 92-001 | Billings & Accounts Receivable - Dept. of Health |
| 92-002 | Terminal Operating Costs - So. Pacific Resources, Inc. |

| <u>Report No.</u> | <u>Report Subject Area</u> |
|-------------------|--|
| 93-004 | Revenues and Management Controls - Office of Motor Vehicles |
| 93-005 | Airport Duty Free Shops - Customs/Excise Tax Division |
| 94-002 | Cash Receipts & Collections - Hospital |
| 94-103 | Cash Collection Records - Golf Course - Parks and Recreation |
| 94-106 | Cash Count - Customer Service Office - Power Authority |
| 95-105 | Cash Collection Procedures - Tradesmen's Licensing Board |

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| 82-015 | Property Management Branch |
| 82-017 | Dept. of Parks and Recreation |
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| 82-021 | Immigration Office - Dept. of Legal Affairs |
| 82-022 | Mail Room Service |
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| 87-001 | Alien/Sponsor's Bond and Deposits - Immigration Offices |
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| 89-010 | School Maintenance - Dept. of Education |
| 89-012 | School Transportation - Dept. of Education |
| 90-004 | Property Management - Housing Fund |
| 90-006 | Review of Customs - Division of Treasury |
| 90-008 | Maintenance and Repairs Work Order System - Public Works |
| 91-003 | Operating Procedures - Airport |
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AUDIT FOLLOWUP

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| 87-010 | Cash Collections & Operations - Terr. Office on Aging |
| 88-004 | Prior Audits and Cash & Checking Acct. - Community College |

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